RESOLUTIONS (contd.)

3. Constitution of a Committee to examine the working of Co-operative Institutions in the State.

Mr. A. Narayana Menon *(Vyttila).*— The Resolution that stands in my name reads thus:—"*This Council recommends to the Government that a Committee of officials and non-officials be constituted to go into the question of working the Co-operative Institutions in the State more usefully and to indicate new lines of activities for the Co-operative Department.*"

Sir, when I tabled this Resolution we had no announcement of any constitutional reform in the State. It is providential that this Resolution came to be moved today. It could have been moved and lost in the last Council; but I moved that the meeting be adjourned; so it has come up before a House which has met after the announcement of the introduction of Responsible Government here from the next Council. Everybody here knows that the Co-operative movement was started in this State in the year 1088, i. e. 25 years back. Normally we would have been celebrating the Silver Jubilee this year; but I do not think that the most ardent advocate of the movement, even the Registrar of Co-operative Societies, will say that it is time for us to make any celebration at all. The present position of this movement in this State shows that it is not at all a progressive movement; the motive that the Government had in inaugurating this movement has already been forgotten by the people. It was the belief, when this movement was started, that the usurious practice of our money-lenders would be stopped and that the co-operative institutions will take a large share of the rural credit. But now not even 2 per cent of the rural credit is controlled by this movement. Mutual help, co-operation and thrift were considered the main motives under which this movement was started. Instead discord, dissension and non-co-operation exist in almost all the societies. I do not want to say much on the unscrupulous managing committee on which the Administration report of the Department is very eloquent. I would only quote a few lines from the posthumous report of Mr. Devadhar which the Registrar has been good enough to compile for us. About the Managing Committees he says:— "Though the villagers are proud of their distinguished sons and talk about them and their rare visits, the Village has the misfortune to lose their leadership. Thus deprived of the well-educated and

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the best men, the village society gets as its leaders the unscrupulous money lenders of the place or the self-seeking freelance. They get into the Committee by propaganda and somehow manage to continue to be there and exploit the society for their selfish aggrandisement. No elections are held and fictitious proceedings are entered in the minutes book. They take advantage of the ignorance and the helplessness of the masses and exploit the credit of the village society and of the financing bank. They raise the cry of democracy, de officialisation and honorary work, deceive the Central Bank, defy the Department, collect signatures, petition the Government and all in the name of the poor members of the village societies. In some places the management does not take sufficient interest in the affairs of the societies. Instances are not also wanting where societies, in course of time, become a one-man's show, the rest being contented with what the President or the Secretary does. Each and every Member, accepting a place in the management, must realise the great responsibility and trust reposed in him and work for the common weal, when alone the maximum benefit of a society would be derived by its members. To ensure the services of good men and in the interest of systematic management, no one should be allowed to work in the Committee for more than a year at one time. Those who are either bankers themselves or are interested in the promotion of joint stock banks should not also be elected to the Committee. The Committee should, as a whole, be also made responsible for their actions which, on their very face, will involve sure loss to societies, as for instance issuing loans to men of doubtful solvency on precarious security, loans issued in excess of the limit fixed by the rules, allowing bonds or decrees in favour of societies getting time-barred, indifference in holding general meetings for re-election and all actions against the provisions of the by-laws." All the drawbacks indicated in this paragraph are seen more or less to exist in the managing committees of many of the co-operative societies of the State. Another defect is the ever increasing over dues; bonds being renewed at intervals without any payment at all. The Society borrows money from the Central Bank. The Central Bank is not paid; instead it also gets its bonds renewed. As it is, we have got societies which do not function at all; except in getting bonds renewed. Most of our Societies are unlimited liability societies; for the fault of the managing Committee or for the fault of some unscrupulous persons who borrow money with the intention of not paying it back, innocent people who are very careful with regard to their duties to the societies of which they are

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members, are subjected to very great difficulties. I am told that even villages are put to very great financial straits on account of the unscrupulous ways in which some managing committees behave. That is the position that we have today and I do not think that under such conditions the silver jubilee of this movement can be celebrated. We have to wait for another 25 years more when the Golden Jubilee comes. Unless we take remedial steps that also will not be celebrated.

The reasons for these sad results are not far to seek. We began with credit societies and credit societies alone. We did not attend to other lines of activity. Another reason and that is one of the main reasons that brought us to the present sad plight, is that the rate of interest has all along remained very high. Notwithstanding the 25 years that we have passed through, the rate of interest has not undergone any change at all in most of the societies. In cases of default even 25 per cent interest is attempted to be collected. These are the reasons why defaulters have multiplied. I had made the submision to this House that the rate of interest in these institutions should not in any case go beyond 6 per cent. I think the Central Bank alone has lowered its rate of interest; other institutions are yet to follow the lead of the Central Bank.

In these institutions we have not got men trained in the co-operative business. We want "convinced co-operators," to work these institutions. We have in the majority of societies only lay men to run their business side; as a consequence there are all sorts of defects found in the working of these societies. Here I may say that in Japan every adult should get himself trained in the co-operative business. In our State the law does not insist upon that. . . . . .

Chairman.—You are anticipating the findings of the proposed Committee.

Mr. A. Narayana Menon *(Vyttila).*— I am adducing reasons to justify the appointment of a Committee.

I am giving the main reasons why a Committee should be appointed. The literature on the subject of co-operation is not available in any of our libraries. I understand that the Registrar's Office alone has got some books which are not open to the public.

Mr. T. S. Balarama Ayyar *(Trichur North).*— I take it that the Hon'ble Member has moved this resolution. Is he going to say that he is not going to move the resolution?

LIBRARY ARCHIVES Kerala Legislative Assembly

Mr. A. Narayana Menon *(Vyttila).*— I am surprised at the interruption. If I speak, I speak with conviction, and with the intention of moving the resolution.

Another point that I want to stress on is that the propaganda side of this movement is absolutely neglected. The Registrar of Co-operative Societies with his average 2000 references a year before him and the Inspectors under him who have to go about and audit the accounts of many societies will not be able to carry on any propaganda. Propaganda has to be done by paid men; that is neglected and the movement has failed. The supervision side also is very unsatisfactory; proper reasons are given in extenso in the report of Mr. Devadar. The jurisdiction of societies should not according to high authorities extend over a limited area. Now we have got three or four villages under a society so that we are not able to know whether a party is solvent or not. Another thing to note is that you should not have too many members in a society. The maximum number should not be more than 100. We have now in some societies 500 or 600 members. So it becomes practically unmanageable; the real spirit of the co-operative movement is not achieved by having a movement run in that fashion. So I submit it is high time that we stop a while and begin to think whether things cannot be improved.

The literature we get and the speeches that we read from the papers—even in yesterday's Hindu we had a speech by Mr. Austin, the Registrar of Co-operative Societies of the Madras Government,—should convince us that it is high time that something new should be done by this department. It is high time that we stop concentrating all our attention on the credit movement. New lines to which the department can with advantage bestow its attention should be started. They are co-operative farming, starting of control credit societies, co-operation in the running of some industries, especially industries in which poor men like the Valas are engaged.

Chairman—You have only to make out a case for the appointment of a committee.

Mr. A. Narayana Menon *(Vyttila).*— I am coming to a close. Then marketting. On all these points very lengthy speeches have been made on the floor of this House and I do not think that I am called upon to make any further elucidation. What I would say is that this is a very important subject and calls for the very serious attention of the Government. The

LIBRARY ARCHIVES Kerala Legislative Assembly

present day politicians and editors say that the rural uplift of the masses in the villages rests in the proper working of the co-operative department in co-ordination with the other development departments. Here I come to the starting of rural development boards so that they may give suggestions and proposals to the rural development minister when he is appointed. Considering all these matters, I think that I have made out a good case for the appointment of a committe of officials and non-officials to go into the questions stated in the resolution. We have got a report; but some of the answers given from the treasury benches show that it is not receiving the attention that it deserves. With this useful piece of literature before the members of the committee they should consider the feasibility of starting new lines of activities and also of rectifying the mistakes that have been committed in many a society. I am told that 100 co-operative societies are ripe for cancellation. That is the present state. A more appalling state of affairs cannot be imagined and I request you to seriously consider this question and not to brush aside this very very important question or even imagine that I will not move this resolution. With these observations I commend the resolution to the acceptance of the House.

Mr. P. J. Alexander *(Palluruthi).*—I second this resolution.

Mr. T. C. Iyyukutty *(Pazhanji).*— Mr. President, Sir, I oppose this resolution though the spirit of this resolution seems to be good. All are anxious about the improvement of every co-operative institution in the State. Nobody will find fault with the scheme. What I do not approve of is that we should have a committee to go into the question of working the co-operative institutions and to indicate new lines of activities.

At present we are burdened with so many committees. Hence there is no necessity for a fresh committee consisting of official and non-official members. We have now an Advisory Committee. The aim of this resolution can be carried out through this committee. Nobody can object to it.

It may be true that there are some societies in the co-operative department which do not function properly. The Government themselves are taking serious steps to rectify these defects.

I know for certain that the Head of this Department himself takes keen interest to work these institutions more

LIBRARY ARCHIVES Kerala Legislative Assembly

usefully. His staff also take great care to indicate new lines of activities. We know the Inspectors under him visit these societies often and give them instructions in the proper way.

There is also the Central Bank in the State with Directors consisting of officials and non-officials. They are trying their level best to improve the conditions of these societies by indicating new lines of activities.

Besides this we have the Supervising Unions and Group Examiners under this Bank. They are also non-official members. They too discover new lines of activities for the improvement of the Department. Excluding all these there is one Central Institute. The object of this institute is mainly to carry out the suggestions contained in this resolution. Co-operative conferences are being conducted every year to discuss about several ways and means for the uplift of this Department.

Above all these, Government are now appointing a Minister who will also give new life to the Department.

Hence, I am at a loss to find out what more the mover of this resolution intends to do through his new Committee. There is no doubt that these people will gladly accept any new proposal presented by the Hon'ble Member if he has any. If he does not approve of this idea he himself can get into any of these institutions and exibit his new lines of activities.

I am of opinion that there is no meaning in constituting a new Committee which only brings about unnecessary expenses on the part of the Government by way of T. A. and sitting fees. Hence I strongly oppose this resolution.

Mr. K. S. Manickam *(Irinjalakkuda).*—Sir, I am afraid I have to oppose this resolution. In the light of the happy news still ringing in our ears about the appointment of a Minister to look after this Department amongst others and in the knowledge of this announcement I doubt very much whether my Hon'ble friend is not taking this opportunity to advertise himself to be the future minister and I appeal to the Hon'ble Members to consider this Resolution in that light. I also wish to suggest that, after all, this resolution is only the programme of the various items of work that he might embark upon were he to be nominated as minister if he is to be returned to the Council next time. I wish he may be returned to the Council and wish

LIBRARY ARCHIVES Kerala Legislative Assembly

he may be nominated. I wish he need not put all the programme into action because I am afraid that there are some undesirable things in it which will bring to an end the co-operative movement in Cochin State. I do not wish that such a day should come and therefore I take this opportunity to appeal to him not to encourage all the work he has enunciated here were he to be elected again. In his over-anxiety he has engaged the attention of the House to the extent of rather pardonable boring in enunciating the various items of work he might do. I am quite confident that he will not press this motion. His object has been satisfied.

Mr. E. Ikkanda Warriar *(Urakam).*—Is the word 'boring' parliamentary?

Chairman.—I do not think that it is unparliamentary.

Mr. K. S. Manickam *(Irinjalakuda).*—So, I hope the Hon'ble Member for Vyttila will not press this Resolution and I hope the Hon'ble Members of this House who have the good fortune to come to the next Council will remember the various words that he has spoken and see that he is appointed Minister. With these words and considering that the resolution is premature, I oppose this.

Mr. K. Narayana Menon *(Registrar of Co-operative Societies).*—Sir, I think my work is considerably minimised by the speeches of the Hon'ble Members on both sides of the question. I wish however to state that the objects with which a committee is to be appointed, viz., to enquire into the working of the movement with a view to indicate new lines of policy, I think, is too general to be practical. A similar resolution was brought forward in 1108 by the Hon'ble Member for Kunnamkulam when it was unanimously resolved than an enquiry should be held not by a Committee but by an expert, because evidently you cannot imagine the sum total of human wisdom. A non-official Committee who may not know very much about co-operation may be a handicap in producing a good report and one expert may be able to do the work more satisfactorily. It was in pursuance of that Resolution that Mr. G. K. Devadhar was appointed to enquire into the working of the movement in the State. His report containing any number of useful suggestions is already submitted to the Government and they are under the consideration of the Government. Now it seems to me that when an enquiry was recently held and when its report is under the

LIBRARY ARCHIVES Kerala Legislative Assembly

consideration of the Government it is too early, if not unnecessary, to appoint another committee and traverse the same ground. Again there is an advisory Committee of this Council attached to the Department wherein it is perfectly open to the members to make any useful suggestion or bring in suitable subjects for discussion. I would also like to state that it is not for want of indication of new lines of policy that the department really suffers. I think he has analysed it himself. As he said there are many instances of the earnest and genuine man not getting a majority or even a place in the Managing Committee and of unscrupulous men being heads of institutions with no idea of moving off till, if I may metaphorically say, the Society becomes a rubber ball without air in it. It is this state of things that has to be changed by the pressure of public opinion. I do not think that this can be achieved by any enquiry or by the drawing up of any neat report. For these reasons the Government are constrained to oppose this resolution.

Mr. A. Narayana Menon *(Vyttila).*—Sir, the two speeches made by the Hon'ble Members on this side of the House who opposed this Resolution were made without any sense of responsibility. I expected a better sense of responsibility at their hands especially when we are on the threshold of the introduction of Responsible Government here. Probably they can afford to be irresponsible in their speeches, since they do not and dare not stand for re-election. With regard to the reply made by the Government member that the report compiled by the Registrar from the notes of Mr. Devadhar is receiving the scrutiny of the Governments, I find some force. If it is so, I agree that it is not now necessary to appoint a committee. But what I gathered from the reply made by the Government on previous occasions is that it would just as any other report be put in the dust bin. To the sinister suggestion that it was in view of the coming election that I moved this Resolution, I may say only this: views on matters that affect the public are too well-known to Cochinites to require any speech at my hands, (hear. hear), at this late hour. No new speech is necessary to advance my claims. With regard to the pressure of public opinion that the Hon'ble Government Member was saying, I want to make an observation. It requires a great deal of propaganda. I would certainly have requested the Registrar to spend at least 20 days in a month on propaganda work. But what can he do with the lot of references made to him from all the societies. The department, as it is, is under-manned and it is high time that paid propagandists are appointed; then only this mo-

LIBRARY ARCHIVES Kerala Legislative Assembly

vement which was started with the best of intentions can be kept alive. With these few words I beg leave of the House to withdraw this resolution.

Resolution was by leave withdrawn.

4. Power to move Resolutions in the absence of the Mover concerned.

* **Mr. T. S. Balarama Ayyar** *(Trichur North).*—Sir, I beg to move the following resolution:—"*This Council recommends to Government that in the absence of the member in whose name a resolution stands, such resolution may, with the permission of the President, be moved by any other member*".

The Resolution that I have moved, while it is quite innocuous, will serve a useful purpose. Many important resolutions have failed to receive consideration at the hands of this House on account of the unavoidable absence of the member in whose name the resolution stands. My resolution simply seeks to give power to any member to move a resolution that has been admitted and that is on the agenda paper when the member in whose name the resolution stands is absent. In other words it simply seeks to provide the way for bringing an admitted resolution into discussion in this House when the sponsor thereof is absent. There is then the additional safeguard that the permission of the President is to be received. Sir, after the advent of Sir Shanmukham as our President the privilege of putting questions of an absentee member has been given to this House. My resolution simply asks for this privilege to be extended for resolutions also. I do not know if this privilege exists in the other Legislative Councils of India but I know that in Pudukkottai there is this privilege. I also understand that in Travancore the practice of permitting a member to move a resolution of an absentee member is not uncommon. In Mysore very often we find that many of the resolutions stand in the name of more than one members so that when one is absent another can move it. I would ask for the privilege enjoyed by the Pudukkottai Legislative Council rather than follow the crude and cumbrous procedure followed in Mysore. With these few words I commend the resolution to the acceptance of the House.

Mr. V. K. Krishnankutty *(Anthikkad).*—I second it.

* Speech not corrected by the Hon'ble Member.

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